

## CHAPTER I

### INTRODUCTION

#### A. Research Background

Inventory is a component that almost all companies must have. Inventories are stored materials or goods which will then be used to fulfill certain purposes, for example for use in the production or assembly process, for resale, or for spare parts of equipment or machinery. Inventories can be in the form of raw materials, work in process, auxiliary materials, spare parts materials, to finished goods.

In order to always survive in carrying out its business activities, companies are required to always be responsive to the needs of their consumers, for example in terms of providing complete, quality goods, satisfying services, safety, and competitive prices of goods. Inventory management is also used to anticipate uncertainty in demand, when ordering, to supply from suppliers. Companies must have a system in place to manage inventory, so that they never run out of stock. Thus, companies can process or directly sell inventory that is still available.

In the operational management approach, it is explained that one of the most important aspects is inventory management. One of the verses from the holy book Al-Quran explains further about matters related to inventory management which is stated in Surah Yusuf verse 48.

ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ سَبْعٌ شِدَادٌ أَكْلُنَ مَا قَدَّمْتُمْ لَهُنَّ إِلَّا قَلِيلًا مِمَّا نَحْصِرُونَ

Meaning: "Then after that will come seven (years) which are very difficult, which consumes what you save to face it (the difficult year), except for a little of what (seeds of wheat) you save." In accordance with the meaning of Surah Yusuf verse 48 above, life can experience the ups and downs of the economy. So, when the situation is loose or fine, we must be able to set aside funds or equipment needs, to deal with unexpected crises in the future or as supplies for future needs.

Inventory management is of course also needed in business management at the pharmacy. Pharmacy is a place that contains pharmaceutical work and distribution and supply of pharmaceuticals to the public. Of course, the pharmacy will be a service company that is always needed by the community. Currently, the challenges posed by the high demand for medicines and medical equipment are often faced by pharmacies, especially during the COVID-19 pandemic which is still happening today. The need for various personal protective equipment or PPE such as medical masks, gloves, goggles, face shields, and aprons (World Health Organization, 2020), makes pharmacies must always anticipate providing and keeping supplies of these personal protective equipment. One of the reasons is that people are required to always use medical masks when they are having activity outside the home, when they are in an association, and when they are in public areas.

Medical masks are one of the most important tools today to prevent the transmission of the corona virus. One of a series of prevention and control measures that can limit the spread of certain respiratory viral diseases, including COVID-19, is the use of masks (World Health Organization, 2020). Masks can be used either to protect a healthy person (worn to protect oneself when in contact with an infected person) or to control the source by wearing a mask by an infected person to prevent further transmission. Therefore, medical masks are the main personal protective equipment that must be owned by the general public and medical personnel for daily use.

The lack of availability of masks was a critical problem for WHO. Doctors, nurses and other frontline workers are badly prepared to treat COVID-19 patients, due to limited access to supplies such as gloves, medical masks, respirators, goggles, face shields, gowns and aprons (World Health Organization, 2020). Those limitations are caused by increased demand, panic buying, hoarding and abuse, which can put lives at risk of the novel coronavirus and other infectious diseases. Problems related to the lack of availability of personal protective equipment and medical masks are also experienced in Indonesia. The Indonesian Doctors Association or often referred to as IDI also complained about the lack of medical masks for health workers (Republika.co.id, 2020). The General Chairperson of the IDI Executive Board, Daeng M Faqih, asked for the procurement of PPE and masks to continue. Due to the excitement over the corona virus, the scarcity of masks was felt by pharmacies in the Jakarta area, one of which was Titi

Murni Pharmacy 128 (detikHealth, 2020). The scarcity of medical masks has also occurred in a number of shops selling medical devices and medicines by displaying large signs that the masks are out of stock. Even if they are still available, the masks are sold at very unaffordable prices, between Rp300.000,00–Rp450.000,00 per box (BBC News, 2020). This happened because of panic buying that occurred on a large scale. Meanwhile, at the K-24 pharmacy company, the demand for masks by the public has skyrocketed. (Kontan.co.id, 2020). Mask sales at PT K24 Indonesia increased by 4 times in February 2020 compared to normal days. In addition, there are four Kimia Farma network pharmacies in North Jakarta, Central Jakarta and South Jakarta running out of masks and hand sanitizers (tirto.id, 2020).

Finally, on March 4, 2021, Indonesia was able to fill the need for masks in the country where there were 996 medical masks that had received distribution permits from the Ministry of Health, consisting of surgical masks, N95, and KN95 (farmalkes, 2021 ). Even though the stock is plentiful, both from domestic production and imports, the price of medical masks on the market is still high. We can see from the price of the Sensi brand 3 ply earloop mask which is still above Rp100.000,00 per box containing 50 sheets (detikfinance, 2021). In fact, before the pandemic the price was still affordable at around Rp20.000,00 per box. This is because the price of raw materials for masks has increased by 48% since the pandemic began. It is also undeniable that many fake masks and non-medical masks are circulating even though they do not have a distribution permit from the Ministry of Health

because they do not meet the test standards as medical devices. Of course, the price of fake or non-medical masks is much more affordable than medical masks that already have a distribution permit from the Ministry of Health.

From the description of the problem described above, the main purpose of this study is to analyze the management of medical mask supplies in Pharmacy. Focusing on how inventory management can have an impact on meeting consumer needs, this research discusses in depth inventory management strategies, constraints, as well as efforts and solutions to control them. In this study, researcher will outlines the inventory strategies during the ongoing COVID-19 pandemic by using qualitative research. Through this explanation, the title of this research is "Analysis of Inventory Management for Medical Masks during the Covid-19 Pandemic at Kimia Farma Pharmacy, Yogyakarta".

## **B. Problem Formulation**

From the title that the researcher has conveyed, researcher tries to identify the following problems:

1. How is the inventory management of medical masks at Kimia Farma Tajem Pharmacy during the COVID-19 pandemic?
2. What is the impact of COVID-19 pandemic regarding the inventory management of medical masks at Kimia Farma Tajem Pharmacy?
3. What are the obstacles faced regarding the inventory management of medical mask at Kimia Farma Pharmacy during the COVID-19 pandemic?

4. How to overcome the problem of medical mask inventory management during the COVID 19 pandemic at Kimia Farma Pharmacy?

### **C. Research Objective**

The objective of this study needs to be achieved by the researcher, as follows:

1. To analyze the inventory management of medical masks at Kimia Farma Pharmacy during the COVID 19 pandemic.
2. To identify the impact of COVID-19 regarding the inventory management of medical masks at Kimia Farma Pharmacy.
3. To identify the obstacles faced regarding the inventory management of medical mask at Kimia Farma Pharmacy during the COVID 19 pandemic.
4. To identify how to overcome the problem of medical mask inventory management during the COVID 19 pandemic at Kimia Farma Pharmacy.

### **D. Research Benefits**

The researcher hopes this study can bring benefit for knowledge and related parties. The expected benefits of this study as follows:

1. Theoretical Benefits
  - a. This study is intended to provide knowledge related to the inventory management of medical masks in a pharmacy during a pandemic.

- b. This research is useful as a study material and can be used as a reference for research in the field of inventory management in the future.

## 2. Practical Benefits

- a. This research can be used as consideration in decision making, especially in terms of medical mask inventory management during a pandemic in pharmacies.
- b. This research can be used as an evaluation of the company's policies that have been implemented so far and is able to provide information in order to create improved inventory management that leads to better company conditions.